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SUBJECT: The UPA's Austerity Drive: Cynical or Brilliant?

¶1. (SBU) Summary: India's Congress Party has committed to an "austerity drive" as a gesture of solidarity with India's "aam admi" or the common man. VIPs are traveling in economy class on trains and aircraft, foregoing chartered helicopters or private planes. Critics attack these gestures as purely symbolic, meant to distract the common man ("aam admi"), of which there are hundreds of millions living on less than two USD a day, from noticing the skyrocketing prices of essential food items, poor infrastructure, and a severe drought affecting almost a third of the country. Congress Party strategists, however, appear convinced that the political message inherent in the austerity drive -- that the Congress Party is with the "aam admi" -- will help boost the party's appeal as it gears up to fight key state elections in Maharashtra and Haryana on October

¶13.
End Summary.

Drive to Nowhere?

¶2. (U) Before his swearing-in in May, Prime Minister Manmohan Singh promised a more responsive and efficient government. As part of this commitment the Congress Party launched an "austerity drive" to make symbolic gestures of solidarity with India's common man. On August 19, the drive began in earnest when Sonia Gandhi proposed that party MPs, legislators, and ministers voluntarily contribute 20 percent of their salaries towards relief measures undertaken by the central and state governments. Gandhi also suggested that party workers adopt "austerity measures" since much of the population has been impacted by a severe drought and weak economy. Current steps being taken include a ban on staying in five-star hotels and traveling business class and a reduction in the security cover of some ministers who, until recently, were protected by armed security officials.

But Security Sacrifice?

¶3. (U) Some local security specialists are concerned that the austerity drive may undermine the protection for India's lawmakers. As part of the drive, Rahul Gandhi, heir to the Nehru-Gandhi dynasty, opted to take a scheduled train for a round trip journey between New Delhi and Ludhiana in Punjab. The train was stoned near Panipat, 100 km from New Delhi. Three train compartments were hit and several windows were damaged. Haryana police arrested two teenage boys, who admitted to stoning the train for fun, without any criminal intent.

¶4. (U) Some security concerns may be unfounded, as air travelers in economy undergo the same security checks as travelers in business class. However, there are inherent security risks when traveling by train. Luggage is often shared in the same compartment, and passengers at rail stations do not undergo the same strict security checks as air travelers. Investigations into the stone-throwing incident revealed that the perpetrators were not aware that a VIP was on the train they targeted. Still, many touted austerity measures are strictly symbolic - the Shatabdi Express that Rahul took to Ludhiana is an air-conditioned, high speed train used by India's wealthy upper-middle class travelers.

¶5. (U) The Congress Party hopes that its austerity drive will help mobilize support among the rural population ahead of elections in the key states of Maharashtra and Haryana. Elections are also up coming in the northeastern state of Arunachal Pradesh. Critics of the Congress initiative counter that the benefits of the austerity drive are only incidental and the real motivation is to divert focus from the rising prices of essential foods such as lentils and sugar.

These price rises have been evident for over a year, long before the effects of the drought on the coming crop. The drive has managed to refocus the public's attention to discussions about austerity rather than substantive issues. Minister of State in the External Affairs Ministry Shashi Tharoor stirred up more controversy after a "tweet" that he would travel in "cattle class out of solidarity with the holy cows." While cattle class is a well-recognized idiom for economy class, Tharoor was reprimanded by the Congress Party, which labeled his comment, "absolutely insensitive." Congress Party Chief Minister of Rajasthan Ashok Gehlot called for Tharoor's resignation.

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While the Prime Minister downplayed the incident, recriminations within the party were strong enough that Tharoor was hauled up before Sonia Gandhi, who reportedly told him to watch his ways. Lawmakers may save a few thousand rupees traveling in economy class, but they are still wasting millions more due to corruption, bureaucratic lethargy, and poor governance.

Five Star Hotels Need Not Apply

¶6. (U) On September 9, Finance Minister Pranab Mukherjee publicly rebuked External Affairs Minister S.M. Krishna and Minister of State in the External Affairs Ministry Shashi Tharoor for staying in five-star hotels for months pending renovations of their official accommodation. Mukherjee chastised both ministers for their ostentation when the government was advocating frugality, and asked them to return to their respective official residences. The irony is that in being forced to move, both Ministers, who were earlier paying for their own room and board at the hotels, will now use taxpayer money. Since the official residences are not yet to their satisfaction, Mr. Krishna will be residing at the Foreign Service Institute campus guest house, and Mr. Tharoor will reside at the Naval Officers Mess. Both establishments are funded by taxpayers. The austerity drive apparently does not factor in to wasteful spending outside of the public eye. The Central Public Works Department leaked that it has received a flood of expensive renovation requests from Cabinet ministers - including requests for Spanish tiles, Italian porcelain, American walnut flooring, and in one case, a private architect. Moreover, no one seriously questions the reason why the heart of downtown New Delhi is occupied by single family residences surrounded by acres of lawns that are assigned to government officials and members of Parliament at nominal rents.

Comment: Image Is Everything

¶7. (SBU) In many parts of India today, cash drives politics and elections to an unprecedented extent, with politicians doling out substantial amounts of money indiscriminately to buy votes. Most successful state and national level politicians have access to large amounts of cash, travel ostentatiously with large entourages in expensive cars, and distribute money and largesse freely. As a result politicians are closely linked to wealth and money in the eyes of their constituents, millions of whom still live in poverty.

It's hard to imagine, therefore, that Indian voters do not see the austerity drive as cynical and superficial. However, as we have learned time and again, it is almost impossible to predict or explain the motivations of Indian voters. Perhaps the strategists who were responsible for the Congress Party's runaway success in the April-May parliamentary elections are onto another brilliant idea that will help them mobilize support for the party in the coming state assembly elections.

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